

CALIFORNIA DEPARTMENT OF INSURANCE
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CALIFORNIA DEPARTMENT OF INSURANCE

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matter of

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY

Respondent.

File No. UPA-2011-xxxxx

STIPULATION AND WAIVER

**(California Insurance Code §§ 790.03,
700(c), 790.035 and Government Code § 11505)**

Respondent, Connecticut General Life Insurance Company (“Respondent”), and the
California Department of Insurance (“Department”), stipulate as set forth herein:

1. Respondent holds a Certificate of Authority to transact the business of life and
disability insurance in the State of California, pursuant to § 700 *et seq.* of the California Insurance
Code.¹

2. Respondent is a Connecticut corporation.

3. During the past four years, a number of Respondent’s insureds who have been
diagnosed with or screened for pervasive developmental disorder or autism (collectively,
“autism”) have made requests for coverage of Behavioral Health Treatment as defined in
California Insurance Code § 10144.51(c)(1) and some have also made requests to the Department
for an Independent Medical Review (“IMR”) of Respondent’s denials for coverage of Behavioral

¹ Unless otherwise stated, all references are to the California Insurance Code.

1 Health Treatment including Applied Behavior Analysis therapy ("ABA therapy").

2 4. Most requests made by Respondent's insureds for IMR of Respondent's denials of
3 coverage for ABA therapy have been granted by the Department and ABA therapy has been
4 found to be medically necessary. As a result of these IMR decisions, the Department has ordered
5 that Respondent provide coverage for and pay for medically necessary ABA therapy for these
6 insureds.

7 5. The Department contends that coverage of medically necessary ABA therapy is
8 mandated by California Insurance Code § 10144.5 *et seq.*, the California Mental Health Parity
9 Act, without any limit other than medical necessity. The Department contends that ABA therapy
10 is the standard of care for autism and that delays in providing medically necessary ABA therapy
11 are unlawful and potentially catastrophic to the health of a patient. Respondent contends that
12 ABA therapy is excluded from its health insurance policies.

13 6. The Department contends that Respondent engaged in conduct in violation of the
14 California Mental Health Parity Act, § 10144.5, by failing to arrange and delaying in arranging
15 for provision of behavioral health treatment of pervasive developmental disorder or autism for its
16 insureds as required by §10144.5, and in so doing was acting in violation of § 790 *et seq.* by
17 engaging in unfair or deceptive acts and in violation of § 790.03(h)(1) by misrepresenting to
18 claimants pertinent facts or insurance policy provisions relating to any coverage at issue. Specific
19 allegations are set forth in the Order to Show Cause and Statement of Charges; Notice of Filing
20 with Agency In the Matter of the Certificate of Authority of Connecticut General Life Insurance
21 Company, File No., UPA-2012-00010, served on February 23, 2012.

22 7. Respondent and the Department have discussed resolution of the issues in this
23 proceeding and now wish to resolve those issues without the need for a hearing or further
24 administrative action, as more expressly described below. The parties mutually agree to enter
25 into this Stipulation and Waiver and agree that the resolution embodied in this Stipulation and
26 Waiver is made in good faith. Therefore, by this Stipulation and Waiver, Respondent waives any
27 and all rights to a hearing in this matter, and any and all other rights related to this proceeding
28 which may be accorded pursuant to Chapter 5, Part 1, Division 3, Title 2 (commencing with §

11500) of the California Government Code and by the California Insurance Code.

8. Respondent agrees to perform the obligations as stated in this Stipulation and Waiver.

9. This Stipulation and Waiver does not constitute an admission by Respondent of liability, violation, wrongdoing or improper conduct.

COVERAGE FOR BEHAVIORAL HEALTH TREATMENT

10. Effective January 1, 2012 and continuing until July 1, 2012, Respondent agrees to provide coverage for Behavioral Health Treatments, including ABA therapy, for its eligible insureds who may have autism, consistent with California Insurance Code § 10144.51, under the following terms and conditions:

ABA therapy is ordered by and deemed medically necessary by a health care provider(s) licensed under California law or by the state in which the ABA therapy is rendered, and the following conditions exist:

(i) If ABA therapy is rendered by a health care provider licensed under California law or by the state in which the ABA therapy is rendered ("State - Licensed Provider"), the State-Licensed Provider certifies that he or she personally provided the services, and utilizes the billing codes supplied by Respondent; or

(ii) If ABA therapy is rendered by individuals who are not State-Licensed Providers but who maintain a BCBA-certification or who have ABA therapy training and experience in serving children with autism, and the services are overseen by a State-Licensed Provider either affiliated with the ABA therapy provider or not affiliated with the ABA therapy provider, and have agreed to the following:

(1) Bill for the ABA therapy utilizing the billing codes supplied by Respondent

(2) Maintain appropriate professional liability insurance covering the ABA therapy provided;

1 (3) Retain appropriate treatment records, including the identity of the
2 individuals providing the ABA therapy, in accordance with professional
3 standards of practice; and

4 (4) Provide copies of the insured's ABA therapy records to Respondent on
5 reasonable request and at reasonable intervals.

6 (iii) In the event that the insured's first-choice ABA therapy provider refuses to
7 agree to oversight by a state-licensed provider, Respondent is now and will
8 continue to assist in locating providers who are known to Respondent and who
9 will agree to the conditions set forth in this Paragraph 10.

10 11. Until July 1, 2012, Respondent agrees to provide coverage for all medically necessary
11 ABA therapy for the treatment of autism for all current and future insureds in accordance with the
12 terms of this Agreement. The services shall be covered for a duration equal to the length of time
13 specified by the insured's provider, or through June 30, 2012, whichever is shorter, at the number
14 of hours per week/month as specified by the insured's provider who ordered the ABA therapy.
15 From the date of this Agreement through June 30, 2012, Respondent will not dispute the medical
16 necessity of the services or the frequency at which the services were recommended (whether or
17 not prior authorization is sought or obtained, coverage will not be denied during this initial period
18 based on medical necessity). Except for denials based upon the insured no longer being a covered
19 insured or as otherwise permitted by this Agreement and while this Agreement is in effect, any
20 denial of coverage for ABA therapy shall be construed as a denial based on medical necessity and
21 will be subject to review under the Department's Independent Medical Review process.

22 **CLAIMS PAYMENT AND REIMBURSEMENT**

23
24 12. All claims for payment to behavioral health treatment providers for authorized care
25 shall be paid timely and accurately in accordance with statutory requirements of the Insurance
26 Code and applicable regulations.

27 13. Respondent agrees to negotiate reasonable reimbursement rates and terms with
28 qualified autism service providers (as defined in California Insurance Code § 10144.51).

1 14. Claims for medically necessary Behavioral Health Treatment including ABA therapy
2 shall be adjudicated in the regular course without imposition of any unique or onerous conditions
3 on providers and complete claims shall be adjudicated and processed in accordance with the
4 provisions of the Insurance Code and applicable regulations.

5 15. Claims submitted by behavioral health treatment providers who have entered into a
6 contractual agreement with Respondent shall be reimbursed timely and accurately in accordance
7 with the terms of such contractual agreement and applicable statutes and regulations.

8
9 **BEHAVIORAL HEALTH TREATMENT PROVIDER NETWORK**

10 16. Respondent is currently working to establish a network of ABA therapy providers, as
11 defined in California Insurance Code §10144.51.

12
13 **CUSTOMER SERVICE OBLIGATIONS**

14 17. Respondent shall establish a dedicated customer service unit staffed by appropriately
15 trained individuals who will handle intake of questions or requests for verification of coverage or
16 eligibility, or prior authorization, if required, from Respondent's insureds seeking information
17 about their benefits for medically necessary behavioral health treatment or screening or diagnosis
18 of pervasive developmental disorder or autism.

19
20 **GENERAL PROVISIONS**

21 18. Respondent will make written changes in all of its relevant internal reference
22 materials, computer systems, provider manuals, instruction guides, coverage documents, medical
23 underwriting guidelines, medical management guidelines and similar materials to reflect the
24 changes in practices and policies consistent with the obligations stated in this Stipulation and
25 Waiver.

26 19. Respondent and the Department agree that this Stipulation and Waiver is intended to
27 be a complete and final resolution of the issues and allegations referenced in Paragraph 6 above
28 and that no further action will be brought against Respondent upon the matters referenced therein;

1 provided , however, that neither this Stipulation and Waiver nor the Order approving this
2 Stipulation and Waiver are in any way intended to limit or waive the Commissioner's authority to
3 bring disciplinary action against Respondent for alleged violations of California law arising from
4 improper denials of Behavioral Health Treatments occurring in the future or any other acts or
5 failures to act not referred to in Paragraph 6.

6 20. Nothing contained in this Stipulation and Waiver or the Order approving this
7 Stipulation and Waiver shall prevent the Department from taking action to enforce this
8 Stipulation and Waiver or the Order approving this Stipulation and Waiver if Respondent is not in
9 compliance with the terms and conditions of this Stipulation and Waiver or the Order approving
10 this Stipulation and Waiver.

11 21. In the event that the parties agree, in writing, that an act of the California legislature or
12 the United States Congress, or applicable regulations issued by a federal agency, changes the law
13 governing the coverage of Behavioral Health Treatment, including ABA therapy, or other
14 provision of this Stipulation and Waiver, the law shall govern and no contrary provision shall be
15 binding on Respondent.

16 22. This Agreement shall have no force or effect after July 1, 2012.

17 23. Respondent represents and warrants that the persons executing this Stipulation and
18 Waiver on its behalf are authorized to enter into and execute this Stipulation and Waiver.

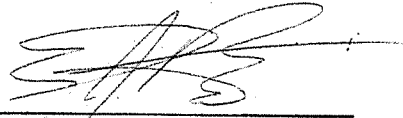
19 24. Respondent acknowledges that §12921 requires the Insurance Commissioner to
20 approve the final settlement of this matter. Both the settlement terms and conditions contained
21 herein and the acceptance of those terms and conditions are contingent upon the Commissioner's
22 approval and Order.

23 25. This Stipulation and Waiver is a compromise within the meaning of California
24 Evidence Code §§ 1152 and 1154.

25
26 Dated: February 24, 2012

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

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Signed: 

Name: EUGENE J. RAPSAANTI

Title: GENERAL MANAGER

Dated: February 27, 2012

CALIFORNIA DEPARTMENT OF INSURANCE

By Patricia Sturdevant

Patricia Sturdevant

Deputy Commissioner for Policy and Planning